

Reed
Reichert
Renacci
Ribble
Rice (SC)
Rigell
Roby
Roe (TN)
Rogers (AL)
Rogers (KY)
Rohrabacher
Rokita
Rooney (FL)
Ros-Lehtinen
Roskam
Ross
Rothfus
Rouzer
Royce
Russell
Ryan (WI)
Salmon
Sanford
Scalise

Schweikert
Scott, Austin
Sensenbrenner
Sessions
Shinkus
Shuster
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smith (TX)
Stefanik
Stewart
Stivers
Stutzman
Thompson (PA)
Thornberry
Tiberi
Tipton
Trott
Turner
Upton
Valadao
Wagner

Walberg
Walden
Walker
Walorski
Walters, Mimi
Weber (TX)
Webster (FL)
Wenstrup
Westerman
Westmoreland
Whitfield
Williams
Wilson (SC)
Wittman
Womack
Woodall
Yoder
Yoho
Young (AK)
Young (IA)
Young (IN)
Zeldin
Zinke

NOES—186

Adams
Aguilar
Ashford
Bass
Beatty
Becerra
Bera
Beyer
Bishop (GA)
Blumenauer
Bonamici
Boyle, Brendan
F.
Brady (PA)
Brown (FL)
Brownley (CA)
Bustos
Butterfield
Capps
Capuano
Cárdenas
Carney
Carson (IN)
Cartwright
Castor (FL)
Castro (TX)
Chu, Judy
Cicilline
Clark (MA)
Clarke (NY)
Clay
Cleaver
Clyburn
Cohen
Connolly
Conyers
Cooper
Costa
Courtney
Crowley
Cuellar
Cummings
Davis (CA)
Davis, Danny
DeFazio
DeGette
Delaney
DeLauro
DelBene
DeSaulnier
Deutch
Dingell
Doggett
Doyle, Michael
F.
Duckworth
Edwards
Ellison
Engel
Eshoo
Esty
Farr
Fattah
Foster
Frankel (FL)

Fudge
Gabbard
Gallego
Garamendi
Graham
Grayson
Green, Al
Green, Gene
Grijalva
Gutiérrez
Hahn
Hastings
Heck (WA)
Higgins
Himes
Hinojosa
Honda
Hoyer
Huffman
Israel
Jackson Lee
Jeffries
Johnson, E. B.
Kaptur
Keating
Kelly (IL)
Kennedy
Kildee
Kilmer
Kind
Kirkpatrick
Kuster
Langevin
Larsen (WA)
Larson (CT)
Lawrence
Lee
Levin
Lewis
Lieu, Ted
Lipinski
Loeb sack
Lofgren
Lowenthal
Lowe y
Lujan Grisham
(NM)
Luján, Ben Ray
(NM)
Lynch
Maloney,
Carolyn
Maloney, Sean
Matsui
McCollum
McDermott
McGovern
McNerney
Meeks
Meng
Moore
Moulton
Murphy (FL)
Nadler
Napolitano

NOT VOTING—6

Burgess
Byrne

Hanna
Johnson (GA)

Kelly (MS)
Sanchez, Loretta

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1620

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER
AS COSPONSOR OF H.R. 2588

Mr. BISHOP of Georgia. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2588.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PROTECT MEDICAL INNOVATION
ACT OF 2015

Mr. RYAN of Wisconsin. Mr. Speaker, pursuant to House Resolution 319, I call up the bill (H.R. 160) to amend the Internal Revenue Code of 1986 to repeal the excise tax on medical devices, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 319, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, modified by the amendment printed in part A of House Report 114-157, is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protect Medical Innovation Act of 2015”.

SEC. 2. REPEAL OF MEDICAL DEVICE EXCISE TAX.

(a) IN GENERAL.—Chapter 32 of the Internal Revenue Code of 1986 is amended by striking subchapter E.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (a) of section 4221 of such Code is amended by striking the last sentence.

(2) Paragraph (2) of section 6416(b) of such Code is amended by striking the last sentence.

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 32 of such Code is amended by striking the item relating to subchapter E.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to sales in calendar quarters beginning after the date of the enactment of this Act.

SEC. 3. BUDGETARY EFFECTS.

The budgetary effects of this Act shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. RYAN) and the gentleman from Michigan (Mr. LEVIN) each will control 30 minutes.

The Chair recognizes the gentleman from Wisconsin.

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota (Mr. PAULSEN), the author of this legislation, be permitted to control the time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PAULSEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker and Members, defibrillators, operating room monitors, insulin pumps, pacemakers, heart valves, artificial hips, x ray machines, ventilators, and ultrasound machines, these are life-improving and lifesaving technologies that have reduced costs for the improved health of millions of Americans.

Unfortunately, the President's healthcare law implemented a new tax on all of these innovative devices, a tax on medical devices. Only in Washington, Mr. Speaker, would you impose a tax on lifesaving medical technology and think you will actually reduce healthcare costs. This is bad tax policy, and it needs to be repealed.

The medical device industry is truly an American success story, employing more than 400,000 people. In my State of Minnesota, 35,000 people are employed in this industry, 400 companies alone in the State of Minnesota; 80 percent of device manufacturers are small businesses with less than 50 employees; 98 percent of all these companies have less than 500 employees.

It can take these small startups 10 to 15 years to even achieve profitability or earn one penny of profit because they rely on investment and the promise of a future of earnings to survive.

The device industry is a net exporter. We have a trade surplus with our exports. Most importantly, these companies are producing lifesaving and life-improving devices for millions of our patients across the world.

Medical advancements have helped add 5 years to U.S. life expectancy in the last two decades. It has helped slash the death rate from heart disease by a stunning 50 percent and cut the death rate from stroke by 30 percent.

Devices have contributed to a 16 percent decrease in mortality rates and an astounding 25 percent decline in elderly disability rates in just the last 20 years of innovation. Medical innovation is leading and will continue to lead the way we improve lives for our seniors who have chronic disease.

Despite all the benefits that this industry provides, a 2014 Harvard Business Review article recently found that the device industry now faces one of the most uncertain competitive environments in the entire country. Instead of hurting this industry, we should be empowering this industry, creating more jobs, producing more innovation, and helping more patients.

We often hear that America needs to start making things again to help

jump-start the economy, and one of the best ways to protect American manufacturing and spur innovation is to repeal this harmful medical device tax because here is what the tax is doing: it is costing us jobs.

One company that I spoke with said they have never laid off any employees in the last 22 years of their history of business, but they laid off 25 employees, and they refrained from hiring another 15 employees because of the tax.

If you take it to a bigger, larger picture, up to 39,000 jobs have been lost because of the tax since it has been imposed. These are high-paying jobs, Mr. Speaker, that pay nearly \$20,000 more than the national average.

□ 1630

And the 2.3 percent excise tax, it may not sound like much, but here's the problem: it is taxing revenue; it is not taxing profit.

A small device manufacturer, they may not be making any money, but they still have to pay that tax. One company I spoke to, they have 20 employees. They recently said they are borrowing \$100,000 a month from the bank just to pay the tax. That doesn't make any sense.

Mr. Speaker, it is also raising tax rates. Medical device companies now have to pay one of the highest effective tax rates of any industry in the world. Recent testimony in the Joint Economic Committee, there was a small company from Minnesota that now says because of the tax, they have a 79 percent effective tax rate. Who here can justify that?

It is also harming innovation because instead of investing in the next generation of innovative devices that can literally save people's lives, companies are spending money on compliance and accountants instead of on research and development, which is the lifeblood of this industry.

Members should know that this is separate from the debate about how we reform health care. This is about a bipartisan effort today on the floor to promote American innovation to protect and promote American manufacturing and research and development jobs because Democrats and Republicans, conservatives and liberals in both parties, in the House and the Senate, favor repealing this tax. It is a bad tax policy that is killing jobs. It is hurting our seniors, and it is harming innovation.

Mr. Speaker, it is time to protect our American seniors, American patients, and American innovation and repeal this destructive tax.

With that, I reserve the balance of my time, Mr. Speaker.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I shall consume.

There are certain basic facts here. One is this industry participated in the creation of healthcare reform. They, like other providers, were involved; and like other providers, they said that they would participate in helping to

pay for it. That is a fact. Now they want out.

Another fact is that they have benefited from it. According to a recent analysis by Ernst & Young, the industry's revenue increased by \$8 billion in the year the tax took effect.

Also, there has been a reference to R&D. R&D, according to that report, spending by the industry, also increased by 6 percent in the same year.

There has also been reference to employment. The analysis of Ernst & Young also says that, in that year, employment increased, and the overall employment has increased by 23,500. There has been a 23,500 increase in employment.

So those are the facts.

There is another aspect. If people vote for this industry to essentially go back on its commitment to participate, other providers are going to ask for the same treatment. So in that respect, what the Republicans are aiming to do is to unravel ACA.

Another fact is this is unpaid for. So when you add this unpaid-for provision, you get, all together, well over \$610 billion that the Republicans have passed in permanent tax cuts without paying for one dime.

Another factor is that this applies to imports as well as to those that are produced in this country and not at all to exports. So look at the equities. Look at how this industry has benefited. Look at the irrationality and irresponsibility and coming forth to this body and saying let's repeal and not pay for at all from a party that talks about fiscal responsibility.

So let me just read from the Statement of Administration Policy. That is another fact. If this were ever to pass the House and the Senate, it would be vetoed. So here is the Statement of Administration Policy:

"The Affordable Care Act has improved the American health care system, on which Americans can rely throughout life. After more than five years under this law, 16.4 million Americans have gained health coverage. Up to 129 million people who could have otherwise been denied or faced discrimination now have access to coverage. And health care prices have risen at the slowest rate in nearly 50 years. As we work to make the system even better, we are open to ideas that improve the accessibility, affordability, and quality of health care, and help middle-class Americans."

And it concludes:

"In sum, H.R. 160 would increase the deficit to finance a permanent and costly tax break for industry without improving the health system or helping middle-class Americans. If the President were presented with H.R. 160, his senior advisors would recommend that he veto the bill."

So I close with this. You know, people can be provincial in the sense that they respond to one pressure point or another, and I understand that. What you have to do is to look at an entire

system, an entire structure, and what it means for Americans throughout this country.

This industry, as I said, participated in helping to pay for healthcare reform. They have benefited from it, and now, essentially, they are coming forth and saying: Just take us out of it; separate us out.

That is unfair, unwise, irresponsible, and sets a pattern that will do what Republicans really want to do, and that is to pick apart and tear apart this reform that has been 75 years in coming. So I urge everybody to look at the broader interests of the people of this country and to vote "no."

I reserve the balance of my time.

GENERAL LEAVE

Mr. PAULSEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 160, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. PAULSEN. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, just in response to the report that was just mentioned, the Ernst & Young report, it is true that companies have been hiring and growing in certain cases, but all of that growth from the report is outside of the United States. So if you want to continue to promote more jobs outside of the United States, don't vote for the repeal, and we will continue to see jobs move overseas.

Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. MEEHAN), a member of the Ways and Means Committee.

Mr. MEEHAN. Mr. Speaker, let me begin by dispelling the premise that somehow this whole thing was devised so that we can allow the medical device companies to flourish. The thing we want to flourish is research and development that is producing the kinds of things that are helping the American people, and that is the essence of what the medical device R&D innovation is doing, and this is stifling.

At the precise moment where breakthrough opportunities, oftentimes, in small businesses—I see them, Mr. Speaker; I visit them in my district—and at the time that it is the most fragile for them, they are being hit with this 2.4 percent tax which touches them at the time when it is not on profits. These are the very dollars that are being used to be invested into R&D, whether they sell that product or not. We are killing our innovation right in the cradle.

I strongly encourage my colleagues to support the repeal of the medical device tax.

Mr. LEVIN. I yield 4 minutes to the gentleman from Washington (Mr. McDERMOTT), the ranking member on the Health Subcommittee.

(Mr. McDERMOTT asked and was given permission to revise and extend his remarks.)

Mr. McDERMOTT. Mr. Speaker, Mr. LEVIN was correct. When we were designing the Affordable Care Act, everyone was expected to share in the cost as we work for the American people.

The medical device industry initially opposed 5 percent. They said: How about 2.3 percent? We will go for that.

They agreed to it. Here they are today asking for us to give them nothing, no taxes; they don't have to pay anything no matter how they benefit from it.

Now, repealing this tax, which the nonpartisan analysts have shown has no negative effect on jobs, will add \$24.4 billion to the deficit. It would eliminate an important source of revenue simply to appease an industry that has benefited directly and greatly from the expansion of the coverage of ACA.

On top of that, the bill is a distraction from a more important issue that the Congress needs to address in the context of medical devices. They would not let us vote on an amendment in the committee to bring up the institution of unique device identifiers.

An essential tool of improving patient safety is the UDI. A UDI is a number associated with a medical device right on the device. They contain important information about where, when, and by whom the device was made. They provide for post-market surveillance to identify problems and notify patients when objects that they put in their bodies are faulty or dangerous. This has dramatic impacts for safety.

In 2010, a massive recall of breast implants in France impacted tens of thousands of women. Many cancer patients undergo reconstructive surgery following mastectomy, and their lives are threatened when faulty implants leak dangerous contaminants into their bodies. In situations like this, it is essential that we know who has given the faulty device so that recall efforts can save as many lives as possible.

Unfortunately, even when the FDA finishes its new UDI regulations in the coming years, we will lack important tools, including devices, in the agency's postmarket safety checking system, the Sentinel Initiative. The primary source of information for the Sentinel is insurance claims forms, yet, unlike pharmaceuticals, CMS does not currently require UDIs to be listed on Medicare claims. That makes it all but impossible to apply the Sentinel Initiative to the device context.

Furthermore, additional gaps exist in the FDA's rulemaking on UDIs. For example, there is no requirement that UDIs be affixed directly to the implantable devices.

As we look forward, I encourage my colleagues to look beyond efforts to undermine the ACA and to look for opportunities to enhance safety and improve the system for patients, not just the device industry.

I urge Members to vote "no" on this and come back with a bill—if you want

to take the tax off, that is one thing, but at least make them identify the name and the place and the number of where it came from so, if somebody you know gets impacted by one of these devices going bad, we will have a way to trace it.

Mr. PAULSEN. Mr. Speaker, I yield 2 minutes to gentleman from Indiana (Mr. YOUNG), a leader on the Ways and Means Committee, who is also concerned about the impact of this tax on his home State of Indiana.

Mr. YOUNG of Indiana. Mr. Speaker, ObamaCare's medical device tax has already been devastating to innovation, patient care, and job creation, especially in my home State of Indiana.

Up north, we have Warsaw, which is known around the world as the orthopedics capital of the world. In central Indiana, we have a burgeoning life sciences industry centered around the Indianapolis area. Further south, we have Bloomington, which is home to Cook Medical, the largest privately held medical device manufacturer in the world.

Medical device startups dot Indiana's landscape from Lake Michigan down to the Ohio River. Indiana's world-class medical device companies like Biomet, Boston Scientific, Hill-Rom, Zimmer, and dozens more don't just create and produce lifesaving technology. They also employ tens of thousands of Hoosiers, and these jobs pay well.

At a time when factories have closed and jobs in rust belt States have been sent overseas, medical device manufacturing jobs have been a lifeline for hard-working Hoosiers and their families.

□ 1645

Every day this tax remains in effect, we continue to slow advancements in lifesaving and life-improving technologies, and we hinder patient care. This day is long overdue. It is time to support H.R. 160 and finally repeal this harmful, ill-advised tax.

Mr. LEVIN. It is now my pleasure to yield 4 minutes to the gentleman from New Jersey (Mr. PASCRELL), a member of our committee.

Mr. PASCRELL. Mr. Speaker, I am sorry the gentleman from Indiana is leaving the floor right now because one of the companies he mentioned—one of the companies, there are others—was brought before the Justice Department because of their behavior not long ago. So my friend from Indiana talks about Zimmer Holdings. That is one of the reasons why I am asking you to review your support of this legislation. Because let me tell you what happened to Zimmer and Stryker in the State of New Jersey not that many years ago when the U.S. Attorney looked at these two companies and many others.

Here is what they were brought to heel about: bribing doctors to recommend their prosthetic to senior citizens under Medicare. Dante said, what place in hell will they be? These guys should be in the deepest place in hell—

the deepest. You check the record. You can't make this stuff up.

Mr. Speaker, I oppose this legislation. When the Affordable Care Act was being negotiated, these companies were at the table. They agreed to this. You can't deny that. Because of the ACA, the health care market includes millions of newly insured Americans, more business for these companies, by the way, driving up the demand for medical devices and other health care services—increased demand, capitalism, you know about that.

However, the device industry wants it both ways. They want new businesses, and they want new business under the ACA, that the ACA has created, and since the law was passed, they have been lobbying for repeal of what they agreed to. I swear you can't make it up.

Mr. Speaker, I support the ACA and its goals. You don't. And it needs to be funded. It is the law of the land, as the Speaker once said. You can't support the goals of the ACA and then start stripping out the pieces of the law that fund the realization of the goals.

Oh, but you can. And you have tried 56 different times to repeal this legislation, and you failed every time, even though you are in the majority.

This legislation would add \$24.4 billion to the deficit—through the Speaker to my good friend from Pennsylvania—and it is not paid for. Despite industry claims of job loss and economic hardship, medical device companies have seen a 7 percent growth in employment since the ACA. Furthermore, I remain concerned about some of the behavior we have seen in this industry.

The SPEAKER pro tempore. The Chair would like to remind the gentleman to address his remarks to the Chair.

Mr. PASCRELL. Sure, Mr. Speaker.

Mr. Speaker, I became highly involved in the medical device issues since 2007 when a number of device manufacturers entered into controversial deferred prosecution agreements for providing doctors with kickbacks for using their knee and hip replacement devices. A number of these products ended up being recalled. That is the record.

As a result, on the justice side, I have worked to put an end to deferred prosecution agreements that don't hold the bad actors accountable. There are many good companies providing medical devices, but the facts are the facts, and the history is the history, and the culture of this industry needs to be known. I have also worked to improve the safety of medical devices for patients by encouraging the use of clinical data registries.

Repealing the device tax is not good policy, Mr. Speaker, and it is not good for our budget—another \$24.5 billion added to the deficit. I think if you would ask our ranking member, Mr. LEVIN, he would give you a precise

number as to how much you have increased the deficit in legislation you have provided over the last 6 months.

Mr. Speaker, I urge my colleagues to oppose this legislation.

Mr. PAULSEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I just want to address something that was stated by one of the previous speakers from Washington State who made a comment to the effect that the medical device industry supported that tax. Well, that is a statement that is simply not based in fact. In fact, what happened, as I recall, Senator Baucus helped impose the tax on the industry because he felt that they were not providing enough at the table in terms of concessions for the ACA. In fact, since they weren't doing enough at the table, the medical device industry was placed on the menu. They fought this tax vigorously. There is no letter to indicate they had any support for this tax.

Mr. Speaker, I rise in strong support of this legislation to repeal the medical device tax. However you feel about the 2010 health care law on the whole, we can all agree that the legislation has its flaws. Again, one of the most glaring deficiencies in the law is the medical device tax, designed to extract \$26 billion from the industry over 10 years. This new law is already stifling critical innovation and threatening high quality jobs in my district.

More importantly, it is increasing costs for consumers on products which are an absolute necessity of life for those who rely on them, such as prosthetics, pacemakers, and artificial hearts. Costs are also being passed on to consumers at all levels through increased insurance premiums and bills from medical providers.

The medical device industry currently supports over 75,000 jobs in the Commonwealth of Pennsylvania. Several of the companies affected by the new tax are located in my district, including OraSure Technologies, Olympus, Boas Surgical, and B. Braun. In fact, B. Braun CFO Bruce Heugel recently testified before the Senate Finance Subcommittee on Health Care that his company has been forced to drastically reduce investments in research and development and also has had job losses as a result of the medical device tax. In fact, they are not building a new headquarters because of this tax. These are good paying, 21st century jobs, and this Congress should not support policies that will kill them or send them overseas.

Mr. Speaker, the medical device tax is a punitive tax, and it is creating disincentives for companies looking to stay competitive, hire domestically, and create lifesaving new technologies. It is past time that Congress repeal this onerous new tax, and I urge my colleagues to support the Protect Medical Innovation Act. Let's get rid of this thing once and for all. Let's excise the excise tax.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROKITA). Since he was first elected in 2010, he has been a leader on this, organizing freshman Members, recognizing the importance of repealing this disastrous tax.

Mr. ROKITA. Mr. Speaker, I thank the gentleman from Minnesota for yielding the time. He has been the leader on this from day one, and I am happy to join him. I also thank Chairman RYAN of the Ways and Means Committee for allowing this to come to the floor the way it has. I think it is very important. Most of America thinks this is very important, and to have it stand alone here where it can be debated, hopefully honestly, I think speaks well to the process, I think it speaks well to the leadership of Chairman RYAN and Member PAULSEN and others who are behind this.

Mr. Speaker, I am privileged to be back on the floor to support this. It is long overdue. It needs to happen. There is an old adage, Mr. Speaker, and that is, if you want less of something, tax it. The same is true here. If you want less jobs in this area, like the 56,000 jobs in Indiana alone, tax the devices that those jobs produce. If you want less innovation, tax these medical devices. If you want America to be less of a leader in the world when it comes to this industry, tax it. That is all their argument, Mr. Speaker, is saying, and our bill corrects that. Let the free market work, and let innovation work. Let's keep us a leader in the world in this area.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentlewoman from Indiana (Mrs. BROOKS) who has also been a leader as part of the Indiana delegation on the issue.

Mrs. BROOKS of Indiana. Mr. Speaker, I would like to commend my colleague from Minnesota for leading this effort since I came to Congress in 2013.

I rise today joining my fellow Hoosiers seeking greater opportunity for all Americans, and I rise today to call for a swift end to a tax that is standing in the way of that opportunity.

Back home, I hear from countless Hoosiers about the restrictions the medical device tax is placing on our life sciences industry, not only in Indiana but across the country. This tax takes away the opportunities to innovate, to hire more people, and most importantly to improve the patient access to critical technology.

In Indiana the life sciences industry is vitally important. It has a \$59 billion impact on our economy and employs more than 56,000 people. In fact, we are second—Indiana is second only to California in exports of life sciences products.

Mr. Speaker, my colleagues on both sides of the aisle know that the unfair medical device tax jeopardizes our

competitive edge, it stunts our workforce opportunities, but most importantly, it is decreasing access to life-saving technology for people.

Mr. Speaker, I want to stand for jobs, stand for improving people's health, and stand for more opportunity. I urge my colleagues to repeal the medical device tax.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. STEFANIK) who has also been doing an awesome job of organizing a lot of the freshman Members and recognizing the importance of this issue to the State of New York.

Ms. STEFANIK. Mr. Speaker, I strongly support H.R. 160, the Protect Medical Innovation Act introduced by Mr. PAULSEN, and in March I was proud to lead a bipartisan letter by 43 freshman lawmakers to Speaker BOEHNER calling for a vote to repeal the medical device tax.

According to a 2014 industry survey, the tax resulted in employment reductions of 14,000 industry workers in 2013 and years prior to implementation of this tax, with approximately an additional 4,500 jobs lost in 2014. Furthermore, if we don't repeal this tax, the industry will forgo hiring of nearly 20,500 employees over the next 5 years.

Mr. Speaker, this important bipartisan legislation will repeal the Affordable Care Act's medical device tax that is limiting access to health care devices that North Country families need and undermining the medical device industry that is so important to our local economy.

Repealing the medical device tax will help our small businesses create jobs for North Country families and protect employees who are currently at risk from this job-killing tax. This an extremely important issue for my district, especially in Warren County, home of what is called "catheter valley" because of the numerous catheter manufacturers.

I commend the House for bringing this important legislation to the floor, and I urge all Members to support this measure.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. STUTZMAN), someone I traveled with in the State of Indiana who showed me firsthand the impact this device tax had in Indiana.

Mr. STUTZMAN. Mr. Speaker, I rise in support of H.R. 160, the Protect Medical Innovation Act, and I appreciate the work that Congressman PAULSEN has done on this very important issue that has affected my district dramatically.

As a sitting U.S. Congressman of Warsaw, Indiana, known as the Orthopedic Capital of the World, the burdensome medical device tax hits very close to home for my constituents. In fact, Mr. Speaker, the Hoosier State as a

whole is second in the Nation in exports of life science products, and across the State over 20,000 Hoosiers are directly employed by this industry. The impact on our communities and our neighbors is one of the reasons I have fought so long and hard alongside Mr. PAULSEN and my colleagues to repeal this very destructive tax.

Mr. Speaker, back home in Indiana, Hoosiers know that taxation does not create jobs; it kills them. In fact, a recent study has shown that the medical device tax, implemented to fund ObamaCare, has cost more than 33,000 jobs nationally so far. Mr. Speaker, repealing this medical device tax is a simple, commonsense reform, and I urge my colleagues to support this legislation.

Mr. LEVIN. Mr. Speaker, I continue to reserve the balance of my time.

□ 1700

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. COSTELLO), who knows the importance of this issue.

Mr. COSTELLO of Pennsylvania. Mr. Speaker, the cost of health care continues to increase in this country.

As a philosophical matter, I do not believe inserting more government between a patient and their doctor will reduce costs. In fact, to the contrary. But there are things government can do.

That is why we in the House of Representatives are putting more money into NIH funding. It is why 21st Century Cures has been introduced—to streamline approval processes at the FDA and make sure that various stakeholders involved in finding cures are all working together.

Yet what remains as a contradiction at the heart of ObamaCare is the policy that taxes those who seek to innovate and improve public health outcomes through pioneering medical device equipment. We are taxing those who are trying to help improve, and who have improved, public health outcomes. It just doesn't make sense.

Simply put, it is a disincentive to invest capital in precisely the industry that has proven itself to be the single most important in the history of civilization to improve public health—our life sciences industry here in this country.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from West Virginia (Mr. MOONEY) to speak on this issue.

Mr. MOONEY of West Virginia. Mr. Speaker, I am a proud cosponsor of H.R. 160, the Protect Medical Innovation Act of 2015, also known as the medical device tax repeal.

This bill would repeal the tax on medical device manufacturers that was put into place under ObamaCare. The medical device tax rate is 2.3 percent, and this is in addition to the State sales tax on common medical devices

such as pacemakers, hearing aids, and insulin pumps.

This tax hurts the very same Americans we should be helping. For example, 13 percent of West Virginians—the State I am blessed to represent—have diabetes. This 2.3 percent tax makes it more difficult for struggling taxpayers in West Virginia and around the country to access critical healthcare devices like insulin pumps.

If gone unchecked, this tax will continue to weaken the industry's ability to grow and help people in need. It will also continue to hinder the development of lifesaving treatments and devices.

I hope my colleagues will join me tomorrow in voting for the repeal of the ill-advised medical device tax.

Mr. LEVIN. Mr. Speaker, I continue to reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. BENISHEK), a physician who works with patients each and every day and understands the importance of repealing this tax.

Mr. BENISHEK. Mr. Speaker, I rise today to urge my colleagues to support H.R. 160, the Protect Medical Innovation Act.

H.R. 160 will permanently repeal the misguided excise tax on medical devices that was imposed by the President's healthcare law.

I am a cosponsor of this important legislation, along with over 280 Members of this House of Representatives. In the 113th Congress, the Senate endorsed getting rid of this burdensome tax by an overwhelming margin. It is clearly time for this tax to go.

The medical device tax discourages innovation, lowers the quality of medical care available to the American people, and cuts jobs while driving production overseas.

Companies like RTI Surgical, based in my district, are being harmed by this burdensome tax. Instead of hamstringing these manufacturers, we should be allowing them to produce new medical devices and create jobs.

I am a doctor who treated patients in northern Michigan for 30 years. I know how important medical devices are for providing quality health care, and I believe that getting rid of this tax will improve our Nation's healthcare system.

I hope all my colleagues will join me in supporting this commonsense and long overdue fix for the train wreck that is the President's healthcare law.

Mr. LEVIN. Mr. Speaker, I continue to reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRBACHER), a State that has been a leader in developing new medical technologies.

Mr. ROHRBACHER. Mr. Speaker, I rise in support of this effort to prevent this very destructive tax from having the harmful impact that we know it will have. This medical device tax is perhaps the most odious of any tax

that has ever been loaded upon the shoulders of the American people in the history of our Republic.

Our first Chief Justice of the Supreme Court, John Marshall, once pointed out: "The power to tax is the power to destroy." Well, who is being destroyed and who is being hurt by this medical device tax? It is the American people who are suffering maladies and health challenges, and we are putting them as the people who are going to be basically paying the bill or doing without their medical devices.

I would like to give a personal example of this. I know it is very painful for me to do so, but I think I need to share this with my colleagues.

Two and a half years ago, I was notified that my daughter, who was at that time 9 years old, had leukemia. It was a horror story for my family, a horror story, just like it is for families across America. We came out of that. We went through it. It was a tough, tough road for a year. Last week, she had her last cancer treatment and, last week, she was declared cancer free.

The SPEAKER pro tempore (Mr. FITZPATRICK). The time of the gentleman has expired.

Mr. PAULSEN. I yield an additional 1 minute to the gentleman from California.

Mr. ROHRBACHER. Ninety percent of the kids who get leukemia today are cured from leukemia after a period of time. They actually will live through this. Only 40 years ago, 90 percent of the kids who got leukemia died.

We have had different advances in medicine that have actually achieved this goal. But in my daughter's case, I could see very easily a medical device was put under her skin, a portal, so that she did not have to take the chemotherapy into her arms, which resulted in younger kids decades ago with their veins collapsing because of the chemotherapy being shot into their arm.

The people who devised that medical device saved my daughter's life, and now we want to make them the most heavily taxed people in our country. That is ridiculous. We want to encourage people to build these types of devices that will save our children and help those people who are suffering.

This medical device tax is odious, it is wrong, and it was wrongheaded from the very beginning. In the name of saving future children from things that we might be able to cure with a proper medical device, we need to make sure we eliminate this tax and keep faith with future generations, as well as those people who are suffering today.

I ask my colleagues to join me in getting rid of this tax on medical devices.

Mr. LEVIN. Mr. Speaker, I continue to reserve the balance of my time.

Mr. PAULSEN. Mr. Speaker, may I inquire the amount of time remaining?

The SPEAKER pro tempore. The gentleman from Minnesota has 11 minutes remaining. The gentleman from Michigan has 16½ minutes remaining.

Mr. PAULSEN. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. THOMPSON).

Mr. THOMPSON of Pennsylvania. Mr. Speaker, I thank my colleague from Minnesota.

I rise today as a 30-year health care professional and a proud cosponsor of H.R. 160, the Protect Medical Innovation Act of 2015.

This bill would repeal the Affordable Care Act's 2.3 percent tax on medical devices. These are medical devices that save and improve lives for millions of Americans. These devices include pacemakers, artificial joints, CAT scan machines, and many, many more.

Mr. Speaker, the medical device tax is a terrible policy that is stifling innovation and United States competitiveness and is hurting small businesses all across the Nation, and certainly in the Pennsylvania Fifth Congressional District.

This legislation, which has strong bipartisan support, will help to protect American jobs, keep America at the cutting edge of technological medical advances, and preserve a patient's access to affordable, lifesaving devices.

Having served in a nonprofit healthcare setting for three decades, I rise today and ask my colleagues to join me in voting to repeal this unnecessary and very harmful tax.

Mr. LEVIN. Mr. Speaker, I yield myself the balance of my time.

There is no one that questions the importance of this industry—no one. This country has been in the forefront in terms of creating medical devices. There has been innovation and there has been enterprise, and it has impacted the lives of millions of people. That is not the issue here.

The issue is this. A number of industries and a number of providers participated in creating the Health Care Reform Act. Essentially, I am not sure it is the industry as much as some Members are essentially coming here and saying: Give this industry a free ride in terms of their participation, while others are doing their part.

That isn't fair; it isn't workable; and it is also fiscally irresponsible. I would like to talk to the CEOs of any of these companies and ask them if they think it is fiscally responsible to repeal this provision costing well over \$20 billion, unpaid for, made permanent.

Indeed, this is industry joined with others in the healthcare world in this country in a letter of May 11, 2009, to the President:

Dear Mr. President,

We believe that all Americans should have access to affordable, high-quality healthcare services. Thus, we applaud your strong commitment to reforming our Nation's healthcare system. The times demand and the Nation expects that we, as healthcare leaders, work with you to reform the healthcare system.

And it concludes with this paragraph:

We, as stakeholder representatives, are committed to doing our part to make reform a reality in order to make the system more affordable and effective for patients and purchasers. We stand ready to work with you to accomplish this goal.

And it was signed by a number of representatives—the AMA; America's

Health Insurance Plans, their leadership; the Pharmaceutical Research and Manufacturers; et cetera, and also signed by the president and CEO of the Advanced Medical Technology Association.

So now people are coming here and saying what was essentially committed to in 2009 should essentially be ripped out of ACA in 2015.

I just want to read from a report by the National Center for Health Research. And I refer, for example, to the chart on the number of employees at the 12 largest U.S.-based device companies. All of them show an increase in employment of the 12 largest, except two, and in one case, the reduction was from 10,800 to 10,500. One company did have a larger loss, but it wasn't anything close to catastrophic.

Then the number of employees at the small, publicly traded device companies—one, two, three, four, five, six, seven, eight, nine—of those, only seven show a reduction in the number of employees from 2012 to 2014. In one of them, there was a reduction of one, and the other, a reduction of four employees. And then there is another with a reduction of four, and another, a reduction of six. The others had increases in their employment, and two of them, one went from 230 to 320, and another from 244 to 303. These are the smallest.

□ 1715

Let me also refer in this document to stock prices for the 12 largest U.S.-based device companies.

When you look down at the profit margin, all of their profits went up except one, which had a reduction of 1.6 percent from the close of January 2, 2013, to the close of January 2, 2015. That reduction was tiny. The others had a very substantial reduction, some in the twenties, one in the thirties, and the average was a 13.8 percent increase in the profit margin.

Also, this report reads:

Similarly, the report on 2013 employment, released by a financial analysis news service, EP Vantage, showed that 11 of the top 15 device makers expanded their workforce after the device tax went into effect.

I think what is happening here is that a few of my colleagues are coming here and are using a few examples—and I don't deny, in a capitalist system, there are some losers as well as winners.

Everybody isn't necessarily a winner, and there was a recession in this country during some of these years, but to come here and to use those examples that really are refuted by the overall data, I think, is essentially saying that we ought to begin, on this point, to rip apart the ACA because, in every case, there hasn't been an improvement for every company. In terms of research and development, the Ernst & Young report makes it very clear that spending by the industry increased by 6 percent in the same year.

I am just asking everybody who cares about healthcare reform and who cares

about the overall picture here in the United States to resist the temptation to take several examples, perhaps, from their own districts, to draw conclusions about what really has happened in the medical device industry and to, essentially, come forth because of those relatively few examples and say that we should now, essentially, repeal this provision, costing well over \$20 billion—unpaid for—permanently.

That is not only contrary to the letter I read, but it is contrary to fairness within the healthcare industry, and it is really unfair to the millions of people who have benefited from the ACA when the motive, really, of so many of the Republicans who come here is not to simply repeal this tax, but it is part of an effort to, essentially, repeal the ACA altogether. We should resist that.

The people of this country do not want that repeal, so let's vote "no"—and a resounding "no"—on this proposal.

MAY 11, 2009.

THE PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We believe that all Americans should have access to affordable, high quality health care services. Thus, we applaud your strong commitment to reforming our nation's health care system. The times demand and the nation expects that we, as health care leaders, work with you to reform the health care system.

The annual growth in national health expenditures—including public and private spending—is projected by government actuaries to average 6.2% through the next decade. At that rate, the percent of gross domestic product spent on health care would increase from 17.6% this year to 20.3% in 2018—higher than any other country in the world.

We are determined to work together to provide quality, affordable coverage and access for every American. It is critical, however, that health reform also enhance quality, improve the overall health of the population, and reduce cost growth. We believe that the proper approach to achieve and sustain reduced cost growth is one that will: improve the population's health; continuously improve quality; encourage the advancement of medical treatments, approaches, and science; streamline administration; and encourage efficient care delivery based on evidence and best practice.

To achieve all of these goals, we have joined together in an unprecedented effort, as private sector stakeholders—physicians, hospitals, other health care workers, payors, suppliers, manufacturers, and organized labor—to offer concrete initiatives that will transform the health care system. As restructuring takes hold and the population's health improves over the coming decade, we will do our part to achieve your Administration's goal of decreasing by 1.5 percentage points the annual health care spending growth rate—saving \$2 trillion or more. This represents more than a 20% reduction in the projected rate of growth. We believe this approach can be highly successful and can help the nation to achieve the reform goals we all share.

To respond to this challenge, we are developing consensus proposals to reduce the rate of increase in future health and insurance costs through changes made in all sectors of the health care system. We are committed to taking action in public-private partnership

to create a more stable and sustainable health care system that will achieve billions in savings through:

Implementing proposals in all sectors of the health care system, focusing on administrative simplification, standardization, and transparency that supports effective markets;

Reducing over-use and under-use of health care by aligning quality and efficiency incentives among providers across the continuum of care so that physicians, hospitals, and other health care providers are encouraged and enabled to work together towards the highest standards of quality and efficiency;

Encouraging coordinated care, both in the public and private sectors, and adherence to evidence-based best practices and therapies that reduce hospitalization, manage chronic disease more efficiently and effectively, and implement proven clinical prevention strategies; and,

Reducing the cost of doing business by addressing cost drivers in each sector and through common sense improvements in care delivery models, health information technology, workforce deployment and development, and regulatory reforms.

These and other reforms will make our health care system stronger and more sustainable. However, there are many important factors driving health care costs that are beyond the control of the delivery system alone. Billions in savings can be achieved through a large-scale national effort of health promotion and disease prevention to reduce the prevalence of chronic disease and poor health status, which leads to unnecessary sickness and higher health costs. Reform should include a specific focus on obesity prevention commensurate with the scale of the problem. These initiatives are crucial to transform health care in America and to achieve our goal of reducing the rate of growth in health costs.

We, as stakeholder representatives, are committed to doing our part to make reform a reality in order to make the system more affordable and effective for patients and purchasers. We stand ready to work with you to accomplish this goal.

Sincerely,

STEPHEN J. UBL,
President and CEO,
Advanced Medical
Technology Association.

KAREN IGNAGNI,
President and CEO,
America's Health Insurance Plans.

RICH UMBDENSTOCK,
President and CEO,
American Hospital Association.

J. JAMES ROHACK, MD,
President-elect American Medical Association.

BILLY TAUZIN,
President and CEO,
Pharmaceutical Research and Manufacturers of America.

DENNIS RIVERA,
Chair, SEIU Healthcare, Service Employees International Union.

Mr. LEVIN. I yield back the balance of my time.

Mr. PAULSEN. Mr. Speaker, I yield myself the balance of my time.

I have a couple of points right off the bat. My friend from Michigan claims that the tax hasn't necessarily impacted jobs, that there are only certain stories. I would just point out that, in

his home State, there is a company named Stryker—now, it is a larger company—that laid off 1,000 employees back in November of 2011 to provide efficiencies and realign resources in advance of the new medical device excise tax.

As to a lot of data that was mentioned earlier, those figures that are talking about how well the industry is doing and as to the growth and the sales numbers are global data. These are companies that have global awareness and a global presence. Those are not U.S. jobs. We want those jobs in the United States. If we can repeal this tax, we can make sure that job growth is here in the U.S. instead of outside of the United States.

Mr. Speaker, this is not smart tax policy. It is hurting our innovators, and it is costing us jobs. This industry is an American success story. We all know the names of the larger companies because some of those were mentioned here in debate on the floor today, but there are thousands of these companies—the vast majority—because, again, 98 percent have fewer than 500 employees, and over 80 percent have fewer than 50 employees.

These are companies you have never heard of, but there is a doctor or an engineer or an entrepreneur who has started or who has come up with an idea to create a company in the backyard or in the garage to help improve lives or to save lives. That is what we are trying to protect here, Mr. Speaker.

These are not technicians in some white lab coats who are trying to improve widgets or to build a widget faster. These are, literally, small businesses that are on missions to save lives. If you think about it, what could be more entrepreneurially worthwhile than that?

We in Congress have a responsibility to give America's innovators the best shot, the best opportunity possible, by removing any obstructions to those inventions that are going to bring us all a better quality of life. We have the ability to help create a new age of American innovation, and we can help kick-start that process this week—today, tomorrow, with a vote—by repealing the destructive medical device tax.

It was mentioned as a part of the debate also that the industry came forward and that there was vast support for the Affordable Care Act, and they agreed to the tax. Mr. Speaker, there are no letters from the industry whatsoever that support their buy-in for a 2.3 percent excise tax—a tax on revenue, not on profit.

It is true that there were letters that were put out that said they were committed to healthcare reform and that they wanted to see that process move forward, but then they were very vocal when this excise tax idea was floated as a part of the new healthcare law and even after the law passed. It has been continuous, this awareness about their opposition in their knowing of the detrimental effects that it would have.

Mr. Speaker, this is also not about the Affordable Care Act because we have had many votes on that—to repeal it, to change it, to move in a different direction. This is about a tax that is going into the general fund, that is not going into some special account to fund ObamaCare. That is not what this tax is doing. This is going into the general fund.

That Affordable Care Act discussion will come up at another time with the Court case coming up in the near future. This is more of an opportunity to stand up with a bipartisan voice to declare our support for American manufacturing, for American jobs, and for protecting our patients, including our seniors.

I just want to remind my friends that the President has said that he has been open to any ideas that will improve accessibility, that will improve affordability, and the quality of health care. That is exactly what this bill does. It is about protecting access to those devices.

It is also important to point out the 281 cosponsors. The bipartisan support is deep, and it is broad. If you think back to the sustainable growth rate debate we had just a little over a month ago, that is important to bring up. Why? It is because there was broad, bipartisan support and a belief that the policy was harming patient care and innovation.

This is good policy now if we can repeal this tax. It is about doing the right thing for our constituents, which outweighs the concerns of the offsets.

Mr. Speaker, I urge support for this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 319, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LEVIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.